

To: Renewable Advisory Board

From: Janice McClanaghan,
Energy Office

Date: January 7, 2004

Subject: Update

The following is the January 2004 monthly update for the Renewable Energy Fund:

Supply Programs

- 1) University of Rhode Island Wind Project - URI's President Carothers has given the go ahead for the wind turbine project to be reviewed by the Campus Master Plan Board and, from there, the Board of Governors. The presentation to the Campus Master Plan Board will take place in January, most likely. A physical plan (size, site, etc.) and financing plan need to be developed. Nancy Selman has been in discussions with Jerry Sidio, Director of Facilities Services, to discuss the requirements of putting this information together, which will begin with the students selecting a turbine size based on facility load data and availability of capital, and modeling the economics. During that process, various funding options may be discussed, including a combination of grant and loan from the Fund. Separately, URI is in the process of writing a shared savings RFP and one option is to have the wind turbine as one of the projects identified for consideration under that RFP. Including the wind turbine in the energy savings RFP would allow the project to be financed by an energy savings company (ESCO), (such as Select Energy), and leased to URI or URI would enter into an energy purchasing agreement with the ESCO. In such a case, the Fund would likely be asked to provide "gap funding" to bring the per kilowatt-hour cost of the power equal to or slightly below the cost of the grid power the turbine would displace, an action which would be consistent with the goals of the wind program.
- 2) Johnson and Wales University Wind proposal – The consultant, SED, has resubmitted their proposal with more tightly defined goals and outcomes. JWU was informed that the Fund would pay up to 90% of the invoices submitted to JWU by the consultant, up to a total invoiced amount of \$9000. The revised proposal will be evaluated by a subcommittee.
- 3) Solar on Schools
 - a) Monitoring – The subcommittee has identified a third supplier, Schott Applied Power, in addition to Heliotronics and CSG, who can provide data acquisition and monitoring systems for PV projects. The products, especially Heliotronics, also offer an education component and web interface, that is, the data provided via the web (and in Heliotronic's case, via an onsite computer graphical display interface), can be used for both educational purposes by students and for verification of RECs sales from the systems. The subcommittee is recommending an RFP going to the three potential suppliers. The RFP will be issued in conjunction with a similar RFP being issued by the MA Renewable Energy Trust. Suppliers will be asked to consider the RFPs in concert, and hopefully provide pricing which reflects the volume of purchases by both entities. The separate Funds will maintain the option of choosing different suppliers if desired. The RI monitoring effort has potentially three distinct components, existing Solar on Schools and

other PV installations (of which there are a potential 13); the 5 new schools (see below); and other PV installations which may occur over the next 2 or so years.

- 4) Supply RFP – The current Supply RFP has expired with \$600,000 remaining unused out of the original \$1.25 million allocated to the program. A subcommittee consisting of Bob Grace, Doug Hartley, David Jacobson and Nancy Selman is discussing changes/updates to the program that would provide incentives to RI based projects only, and fold the wind program into the supply program. After the subcommittee agrees on a conceptual outline for the revised supply program, this will be communicated to the Advisory Board and an RFP will be written.
- 5) PV RFP – The RFP will be released for circulation in January.
- 6) Audubon Society – The Audubon Society has received two proposals for PV systems: from SolarWrights and from EverGreen. Chris Warfel is assisting Audubon in evaluating the proposals and will be making a recommendation to the Fund. The proposals are as follows:
 - a) Everpower: Proposing \$66,800 system cost for an 7.2 kW AC (8 kW DC) system, for which a grant of 90% or \$60,120 is being requested from the Fund and the remaining 10% or \$6,780 will be contributed by Everpower.
 - b) SolarWrights: 7.9 kW AC/(9.3 kW DC) with system cost of \$74,174 for which a grant of \$65,401 is being requested from the Fund and SolarWrights will contribute \$8,773 in exchange for signage acknowledging the donation. SolarWrights has also proposed an option for a second, larger system.
 - c) No RECs or energy savings payments by Audubon would be required in either case.
 - d) An educational display would present an added but unknown cost at this point. Both suppliers have expressed willingness to fund some type of display. However, in order to optimize the education value of this site, the Fund may want to consider providing additional funds for this purpose.

Customer Demand Programs

- 7) Sterling Planet Small Customer Registration – Sterling Planet submitted market sensitive information as part of their Small Customer Registration, which pointed out the need (as written into in the Guidelines) for confidentiality agreements for those involved in the Fund decision making (see below). Review of the Sterling submittal is being suspended until the confidentiality agreements are in place.
- 8) Community Energy Large Customer Proposal – A subcommittee has reviewed the Community Energy request for Large Customer program funds. Community Energy is requesting that program funds be set aside on its behalf. A subcommittee is recommending a counteroffer consisting of the following terms: \$125,000 will be set aside for the period of 18 months for Community Energy to use in selling green power and RECs products to large electricity users in RI. Community Energy must use 20% of the funds within 9 months or the allocation will be reduced by one-half to \$75,000. The money will be paid out on a performance basis, i.e., only after the power or RECs have actually been purchased by the customer, and the funds will be used to reduce the cost of the green power product to the customer.
- 9) Renewable Energy Customer Aggregation (RECA) RFP – Think Energy has circulated an RFP for the purchase of green power products (either all requirements or RECs) to 22

suppliers on behalf of 5 members of the RECA large electricity user aggregation in RI. The total usage of the 5 customers combined is 26.8 Gigawatt-hours, and the RFP is looking for green power to replace 15% to 100% of that usage, or alternatively an unspecified amount of RECS. Responses are due back to Think Energy by January 21. Think has been advised to submit an application for the Large Customer Program on behalf of the 5 RECA members participating in the RFP.

Outreach

- 10) Smartpower Proposal – Smartpower has submitted a workplan that is attached. The plan is to provide outreach for one year designed to both provide increased awareness of renewable energy in general and to enhance enrollment in the Narragansett Electric GreenUp program. The outreach will consist of :
- a) Outreach to targeted “first movers” in the green power market: progressives/ activists, religious eco-justice groups, and outdoor enthusiasts/organic shoppers.
 - b) Media campaign (e.g. newspaper articles) and other outreach (e.g., outreach to legislative and other government leaders, tabling at indoor and outdoor events such as music and other festivals) to the general public to raise awareness and educate consumers on renewable energy and the GreenUp program.
 - c) Targeted advertising campaign utilizing primarily radio spots and billboards being developed by Gardner Nelson for the CESA public education project. Advertising will generally consist of a message designed to raise awareness of clean, renewable energy ending with a “call” to GreenUp.
 - d) Targeted direct mail promoting GreenUp and utilizing the messages developed by Gardner Nelson (see above).
 - e) A website which was demonstrated at the December meeting which links to the websites of all the GreenUp marketers and allows for signups to the GreenUp program.
 - f) A before and after survey of attitudes and awareness of clean energy and GreenUp.

Smartpower’s program will be implemented in phases that are designed to coordinate with the GreenUp launch and ballot mailing. The proposal is for a 10 _ -month period, and will cost the Fund \$175,000. Major cost items in the budget include: direct mail (\$60,000); broadcast, print and billboard media (\$88,000); and media relations and outreach (\$48,000). Smartpower is asking for \$75,000 in January and \$100,000 in April. In addition, foundation funding raised by Smartpower in the amount of \$65,000 will also be utilized, resulting in total expenditures in RI of \$237,000.

- 11) CESA Public Education – draft creative materials were presented by Gardner Nelson to the five states participating in the project on 12/22. A second review of draft creative work is scheduled for January 13. Final advertising materials are due in mid-March.
- 12) Think Energy Work Plan – Bob Grace and Nancy Selman have been working with Mark Crowdis of Think Energy to develop a work plan to continue Think’s outreach to large electricity users in RI. A budget of \$50,000 was approved in the Fall of 2003. The primary elements of the work plan are:
- a) Provision of consulting services to large electricity users who are procuring renewable energy systems and green power products. Budget not to exceed: \$8000
 - b) The RECA RFP (see #9 above). Budget not to exceed: \$13,100
 - c) A May workshop for businesses and university facilities and business managers and outreach to increase the attendance beyond the current RECA members. Budget not to exceed: approximately \$18,000 (still in negotiation as of this writing). Workshop goals

and agenda as well as participation goals will be developed by Think in concert with the Fund's consultants.

- d) A University/student challenge for clean energy implementation and design. This activity will have as one of its goals getting an active group of students, faculty and administration to come together to discuss clean energy implementation ideas on a regular or as-needed basis. A further goal is to have the group be self-sustaining. It is anticipated that annual awards will be given for Leadership, Innovation, Accomplishment and Design. One evaluation criteria of the Design award will be implementation, with the intent of the Fund providing funding for the implementation. Think will work with the Fund consultants and Advisory Board members to develop and implement the program. Budget not to exceed: \$10,900

Administration

- 13) Confidentiality – A confidentiality agreement is attached. Please print out, sign and return to Janice at your earliest convenience in order that we might continue the review of Sterling Planet's proposal.